

DOCUMENT 5639
ADOPTED 6/23/94

MEMORANDUM

JUNE 23, 1994

TAKEN UNDER ADVISEMENT JUNE 2, 1994

TO: BOSTON REDEVELOPMENT AUTHORITY AND
MARISA LAGO, DIRECTOR

FROM: BRIAN DeLOREY, ASSISTANT DIRECTOR, ECONOMIC DEVELOPMENT
KEVIN MORRISON, ACTING CHIEF GENERAL COUNSEL

SUBJECT: FOURTH AMENDMENT TO REPORT AND DECISION ON FRANKLIN
SQUARE APARTMENTS (FORMERLY KNOWN AS BACK BAY TOWERS)
CHAPTER 121A PROJECT ("FRANKLIN SQUARE PROJECT")

Executive

Summary: This Memorandum requests the adoption of a Fourth Amendment to Report and Decision on the Franklin Square Project, which involves the approval of a project mortgage refinancing in the amount of \$3.5 million and a related rehabilitation plan.

Project Background

On June 26, 1963, the Boston Redevelopment Authority (the "BRA") adopted a Report and Decision on an approximately 147 unit, 13-story apartment complex located in the Whitney Land Assembly and Redevelopment Area (or Urban Renewal Area) (the "Whitney URA"), part of the Mission Hill neighborhood of the City of Boston. The project was originally known as Back Bay Towers and the designated Chapter 121A entity was Back Bay Tower, Inc. The project was one of three multi-story apartment complexes built within the Whitney URA and was financed with mortgage insurance under the Federal Housing Administration ("FHA") Section 220 program. The BRA originally leased the land for the project to Back Bay Tower, Inc. by and Indenture of Lease, originally dated January 22, 1964 (the "Project Lease"). On November 19, 1970, the BRA approved the acquisition of the project by Franklin Square Apartments, Inc. ("FSA") and the Project Lease was assigned to and assumed by FSA. The Franklin Square Project consists of 147 rental units, which total includes: 96 one-bedroom units, 48 two-bedroom units and 3 three-bedroom units. There is office/commercial use on the first floor. Attached to the building is a two level parking structure for 177 vehicles.

Substantial Rehabilitation; Replacement Mortgage Financing

The Franklin Square Project is now 27 years old and in need of substantial upgrading, including sprinklers, fire alarms, a new roof, heating and cooling and hot water production system modifications, garage repairs and similar building code work. The federal Department of Housing and Urban Development ("HUD") is presently unable to provide funding for the renovation work. FSA has secured an alternate source of leasehold mortgage financing, namely the Shawmut Bank, using money from the Federal Home Loan Bank Board Affordable Housing Program. Shawmut Bank has issued a loan commitment for \$3.5 million.

Application for Approval to Modify Mortgage Financing

On May 25, 1994, FSA filed with the Authority an Application for Approval to Modify Mortgage Financing, dated May 19, and certain Supplementary Materials subsequently filed (collectively, the "Application"). In accordance with the Application, the proceeds of the \$3.5 million loan will be used to pay off the existing FHA insured mortgage loan and fund the rehabilitation work, the total cost of which is approximately \$1,947,386. The Franklin Square Project will continue to be maintained as primarily rental housing. No cooperative or condominium conversion is proposed. A copy of the Application is enclosed herewith.

Tenant Meetings Re: Rehabilitation Plan

At the close of the Public Hearing on June 2, 1994, the Authority voted to take the matter of the Fourth Report and Decision Amendment under advisement. Two tenant meetings were held at the Project on June 9 and 20. At both meetings, representatives of FSA and its architect and other consultants made complete presentations as to the work to be performed and the construction schedule.

Documents

Enclosed herewith in order are the following documents:

- Map identifying the location of the Franklin Square Project;
- material presented by FSA at the June 9 and 20 tenant meetings;
- the Application and Supplementary Material; and
- the proposed Fourth Report and Decision Amendment, which sets forth the terms and conditions in connection with the approval of the replacement mortgage financing.

The Office of General Counsel has determined that changes approved in the Fourth Report and Decision Amendment do not constitute collectively a "fundamental change" in accordance with Chapter 652

FRANKLIN SQUARE APARTMENTS

of the Acts of 1960, §§13 and 13A, as amended.

An appropriate vote follows:

VOTED: That the document presented at this meeting entitled "BOSTON REDEVELOPMENT AUTHORITY, FOURTH AMENDMENT TO THE REPORT AND DECISION ON THE FRANKLIN SQUARE APARTMENTS CHAPTER 121A PROJECT FOR APPROVAL OF AND CONSENT TO A MORTGAGE FINANCING MODIFICATION IN CONNECTION WITH THIS PREVIOUSLY APPROVED AND DEVELOPED PROJECT (FORMERLY KNOWN AS BACK BAY TOWERS) UNDER MASSACHUSETTS GENERAL LAWS (TER. ED.), CHAPTER 121A AND THE ACTS OF 1960, CHAPTER 652, BOTH AS AMENDED", be and hereby is adopted and approved in all respects.

FRANKLIN SQUARE APARTMENTS

APARTMENTS 270 UNITS
FPX 1968
(C.B. & F.)
A-1-B. NONCOMB CEILG

GARAGE
CAPCY. 300 CARS
FP. (CONC)
A-1-B
PARKG ON RF
10- HYDS.

NORTHINGTON

ST. ALPHONSUS STREET

BACK BAY TOWERS
13 STORIES
GARAGE
FP. 1965
(CONC)
A-1-B
PARKG ON RF

TREMONT STREET

1575 TREMONT STREET

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GARAGE
FP. 1965
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PARKG ON RF

TRENT STREET

NORTHINGTON

ST. ALPHONSUS STREET

1575 TRENT STREET

DESCRIPTION OF REPAIR PROGRAM

FRANKLIN SQUARE APARTMENTS

1575 TREMONT STREET

ITEM	SCOPE	COST
General Conditions	Site superintendent, bookkeeping, secretarial.	\$44,517
Construction Management Fee	Fee for construction management services in lieu of General Contractor Fee.	\$85,516
Sprinklers	Install automatic sprinklers, flow and tamper throughout building. Install Fire Pump	\$165,565
Roof	Strip existing roof, insulate, reflash, and install membrane roof	\$152,200
Rooftop Mechanicals	Demolition of existing cooling tower, exhaust fans, and passive vents. Install new tower and exhaust fans at every duct riser.	\$32,400
Electrical	Install fire alarms, minispeakers, and strobes. Install new emergency generator. New garage lighting. Wire trash compactor and HVAC controls.	\$199,583
Exterior Waterproofing	Wash and recaulk building. Repair balconies and concrete frame. Apply water repellent to brick, concrete coating on structure.	\$385,000
Garage Repair	Repair degraded concrete deck. Remove spalled concrete on ribs. Repair reinforcing steel and patch concrete. Apply silica-fume topping. Upgrade egress at lower level.	\$303,000
HVAC	Install new domestic hot water boilers. Upgrades to air handling systems and ventilation.	\$54,870
Plumbing	Upgrades to domestic water system, install heat recovery system.	\$99,000
Elevators	Upgrades to existing elevators. New call buttons, door sensing devices, and interior control panels.	\$48,700
General Construction	Painting of all common areas, apartment doors, and sprinkler piping. Modifications to elevator machine room and fire pump room. Trash Compactor installation. Door replacements. Architectural access upgrades. Weatherstripping and carpeting	\$200,000
	SUBTOTAL CONSTRUCTION	\$1,770,351
Construction Contingency 10%		\$177,035
	TOTAL CONSTRUCTION	\$1,947,386

FRANKLIN SQUARE APARTMENTS
1575 TREMONT STREET
BOSTON, MASSACHUSETTS

Document Submitted At Tenants' Meetings

147 rental units
177 parking spaces

FRANKLIN SQUARE APARTMENTS: SOURCES and USES of FUNDS

USES OF FUNDS

Payoff of Existing Mortgage (5/15/94)	\$1,478,896	
Sub-Total	\$1,478,896	\$1,478,896
CONSTRUCTION		
Direct Construction	\$1,770,351	
Construction Contingency (@10%)	\$177,035	
Sub-Total	\$1,947,386	\$1,947,386
SOFT COSTS		
Architectural Design	\$193,800	
Architectural Construction Supervision	\$68,000	
Financing Fees	\$35,000	
Prepayment Fee Hancock	\$500	
Engineering	\$69,548	
Environmental Engineering	\$7,260	
Legal (owner's/bank's)/ Title and Recording	\$99,329	
Appraisal	\$6,500	
Access Coordination	\$36,000	
Shawmut Construction/ Reqs Review	\$5,500	
Project management/Overhead	\$171,417	
Permits	\$13,000	
Site Survey	\$3,725	
Capitalization of Operating Reserve	\$50,000	
Soft Cost Contingency	\$10,000	
Sub-Total	\$769,579	\$769,579
TOTAL USE of FUNDS		\$4,195,861
SOURCES OF FUNDS		
Proceeds from Loan	\$3,500,000	
TOTAL LOAN PROCEEDS		\$3,500,000
Equity From Owner	\$627,241	
Cash from Operating (during construction)	\$68,620	
TOTAL EQUITY		\$695,861
TOTAL SOURCES of FUNDS		\$4,195,861

FRANKLIN SQUARE APARTMENTS

1575 Tremont Street

Boston, MA 02120

(617) 734-3450

Fax (617) 277-5095

TDD# 1-800-545-1833, ext. 206



IMPORTANT NOTICE

TO: ALL RESIDENTS AND COMMERCIAL TENANTS OF
FRANKLIN SQUARE

FROM: MALONEY PROPERTIES *Maloney*

DATE: JUNE 10, 1994

RE: CONSTRUCTION UPDATE

Attached, please find information regarding the construction schedule for the building. The schedules attached outline all of the work that will be taking place over the next several months. Please be assured that we will provide you with additional notification, when we are planning on entering your apartment. Additionally, a notification tag will be left inside your apartment, on the front door (interior), advising you what was done in your apartment.

You will also see copies of notices posted on the bulletin boards in the lobby and the laundry room. Please call the construction office at 738-5282 with any question.

Please also note that the air conditioning for the building is in operation today, Friday.

Managed by Maloney Properties, Inc.

Equal Housing Opportunity/Equal Opportunity Employer

Maloney Properties, Inc. does not discriminate on the basis of handicapped status. Please contact Susan S. Stockard, 504 Coordinator, (617) 449-7887, ext 208.

MASTER SCHEDULE FOR CONSTRUCTION -- PAGE ONE

TASK	MAY	JUN	JUL	AUG	SEP	OCT	NOV
REPLACE ROOF TITAN ROOFING	X	X					
ROOFTOP HVAC BAY MECHANICAL	X	X					
HVAC BAY MECHANICAL	X	X	X	X			
ELECTRICAL CROCKER ELECTRIC	X	X	X	X	X		
INSTALL SPRINKLERS R&R BATTISTA		X	X	X	X	X	
PLUMBING R&R BATTISTA		X	X	X	X		
EXTERIOR WATERPROOFING NER CONSTRUCTION MGT.		X	X	X	X	X	
GARAGE RESTORATION NER CONSTRUCTION MGT.			X	X	X		
ELEVATOR CONTRACTOR TO BE DETERMINED						X	X
COMMON HALLWAYS PAINT & RECARPET						X	X

COMMENTS

NEW CARLISLE (RUBBER) ROOF, EGRESS PATH AND TERRACE INSTALLATION. TEN YEAR WARRANTY.

NEW ENERGY EFFICIENT COOLING TOWER. 14 NEW ROOFTOP FANS.

AIR CONDITIONING PIPING, DUCT WORK, INSTALLATION OF PNEUMATIC CONTROLS, FILTRATION SYSTEM AND PUMPS, NEW FRESH AIR SUPPLY TO CORRIDORS.

INSTALLATION OF FIRE ALARM SYSTEM, HORNS AND STROBES, EMERGENCY GENERATOR, NEW GARAGE LIGHTING

INSTALLATION OF FIRE PUMP, CONTROLS, SPRINKLERS IN ALL APTS. & COMMON AREAS

INSTALLATION OF HEAT RECOVERY SYSTEM AND DOMESTIC WATER BOOSTER PUMP AND NEW ENERGY EFFICIENT, DOMESTIC HOT WATER SYSTEM

PRESSURE WASHING BUILDING EXTERIOR, CONCRETE REPAIR, POINTING, CAULKING, SEALING, COATING CONCRETE SURFACES AND PAINTING EXTERIOR BALCONY PANELS AND RAILS, NEW BALCONY FLOOR SURFACE, REPAIR TO CONCRETE CHIMNEY.

CONCRETE REPAIR, DECK REPAIR, TOPPING, PATCHING AND SEALING, NEW FENCING AROUND TOP SECTION, NEW MEANS OF EGRESS ON LOWER LEVEL.

RESTORE EXISTING ELEVATORS, NEW CALL BUTTONS AND GONGS.

RECARPET ALL HALLWAYS, PAINT ALL HALLS, DOORS AND FRAMES

**FRANKLIN SQUARE APARTMENTS, INC. – RENOVATIONS
MASTER SCHEDULE FOR CONSTRUCTION – PAGE TWO**

TASK

**ACCESS REQUIREMENTS / POTENTIAL INCONVENIENCES
*ACCESS COORDINATORS WILL MONITOR ALL WORK PERFORMED IN APARTMENTS**

REPLACE ROOF

There will be no access requirements for the roof replacement, other than the installation of the greenhouse for PH1

**ROOFTOP HVAC
BAY MECHANICAL**

There will be no access requirements for this phase of construction.

**HVAC
BAY MECHANICAL**

There will be minimal disruption for this phase of construction. All work required is in the basement where new air ducts will be installed. This installation will involve modifying basement storage bins in some locations. Residents, whose storage bins will be impacted, will receive ample notice.

**ELECTRICAL
CROCKER ELECTRIC**

There will be access required for the installation of the horns and strobes, associated with the new fire alarm system. This access should be for no more than as total of two hours in each apartment. There will be a series of tests and inspections required. Each test and/or inspection should take no more than 5 minutes each.

**INSTALL SPRINKLERS
R&R BATTISTA**

There will be a minimum of 8 – 12 hours per apartment required for the installation of the sprinklers. Additionally, we will re-enter to paint sprinkler pipes and test the system.

**PLUMBING
R&R BATTISTA**

There will be minimum disruption in the water services to the building, approximately 6–8 hours. Other water shut offs may be required for unforeseen reasons. Ample notice will be given.

TASK

ACCESS REQUIREMENTS / POTENTIAL INCONVENIENCES
***ACCESS COORDINATORS WILL MONITOR ALL WORK PERFORMED IN APARTMENTS**

**EXTERIOR WATERPROOFING
NER CONSTRUCTION MGT.**

There will be access required to resident balconies for a period of approximately 3-4 weeks. At this point, balcony access will be from the staging. We do not anticipate having to go through your apartment. When staging is installed in the area outside your apartment, it is essential that those residents lock their doors and windows between 8:00 am and 3:30 pm, each workday. For your safety, residents will not be allowed to use their balconies while construction is occurring at your elevation. The contractor will complete 100% of each staged elevation before moving to the next section. We highly recommend that windows and doors remain closed while construction is underway in your area. (for example, presently all apartments on the back side of the building should keep their windows and doors closed during the workday). Work will include pressure washing and chipping concrete, which can be dusty; P and applications of coating materials, which can have odors.

**GARAGE REPAIRS
NER CONSTRUCTION MGT.**

50% of the garage will be inaccessible to vehicular and pedestrian traffic for approximately 8 weeks.

**ELEVATOR
CONTRACTOR
TO BE DETERMINED**

There may be one elevator out of service during the elevator renovation process.

**COMMON HALLWAYS
PAINT & RECARPET**

Resident doors will be required to be open to allow for paint. This work for each door will be for a minimum of 1 day.

FRANKLIN SQUARE APARTMENTS, INC. — RENOVATIONS
MASTER SCHEDULE FOR CONSTRUCTION — PAGE FOUR
PREPARED 06/07/94

TASK

DETAIL OF CONSTRUCTION / SCHEDULE FOR APT. ENTRY / GARAGE REPAIRS
THIS INFORMATION IS BASED ON SUBCONTRACTORS'S SCHEDULES AND IS SUBJECT TO CHANGE
IN THE EVENT OF A CHANGE, RESIDENTS WILL BE GIVEN AMPLE NOTICE.
*ACCESS COORDINATORS WILL MONITOR ALL WORK PERFORMED IN APARTMENTS

INSTALL SPRINKLERS
R&R BATTISTA

THE INSTALLATION OF INDIVIDUAL UNIT SPRINKLERS WILL BEGIN ON JUNE 27, 1994. THE CONTRACTOR WILL BEGIN ON FLOOR 11, WORKING DOWN TO FLOOR 1, AND THEN BACK TO 12 AND THE PENTHOUSE. WE ANTICIPATE THAT WE WILL ACCESS EACH APARTMENT FOR A MINIMUM OF 8-10 HOURS. THE ACCESS SCHEDULE, BY FLOOR, IS EXPECTED TO BE AS FOLLOWS:

FLOOR	11	WEEK OF JUNE 27 — JULY 1
FLOOR	10	WEEK OF JULY 5-8
FLOOR	9	WEEK OF JULY 11-15
FLOOR	8	WEEK OF JULY 18-22
FLOOR	7	WEEK OF JULY 25-29
FLOOR	6	WEEK OF AUGUST 1-5
FLOOR	5	WEEK OF AUGUST 8-12
FLOOR	4	WEEK OF AUGUST 15-19
FLOOR	3	WEEK OF AUGUST 22-26
FLOOR	2	WEEK OF AUGUST 29-SEPTEMBER 2
FLOOR	1	WEEK OF SEPTEMBER 6-9
FLOOR	12	WEEK OF SEPTEMBER 12-16
PENTHOUSE		WEEK OF SEPTEMBER 19-23

ELECTRICAL
CROCKER ELECTRIC

THE CONTRACTOR WILL BE ENTERING APARTMENTS TO INSTALL THE HORNS AND STROBES. WE EXPECT THAT THE ACTUAL INSTALLATION WILL TAKE NO MORE THAN 2 HOURS PER APARTMENT. YOU WILL BE NOTIFIED, IN ADVANCE, OF THE INSTALLATION DATE. WE EXPECT THAT THIS WILL BEGIN IN JULY, AND WE WILL BE ABLE TO COMPLETE 1 FLOOR PER DAY.

EXTERIOR WATERPROOFING
NER CONSTRUCTION MGT.

THIS PHASE OF THE CONTRACT BEGAN ON JUNE 6. DURING THE DATES LISTED BELOW, ALL ARTICLES ON BALCONIES; PLANTS, FURNITURE, RUGS, ETC. MUST BE REMOVED. YOU WILL BE ABLE TO RETURN YOUR ARTICLES TO THE BALCONIES WHEN THE CONTRACTOR HAS COMPLETED ALL OF THE BUILDING AND BALCONY REPAIRS. THE ANTICIPATED SCHEDULE WILL BE AS FOLLOWS:

* REAR (NORTH) ELEVATION:

APTS. 05 REAR ELEVATION ONLY, 06, 07, 08, AND 09 REAR ELEVATION ONLY
JUNE 6 — JULY 15

* SIDE (WEST) ELEVATION AND A PORTION OF THE FRONT (SOUTH) ELEVATION:

APTS. 04, 03, 02, 01

JULY 18 — AUGUST 12

* FRONT (SOUTH) ELEVATION

APTS. 10 FRONT SIDE ONLY, 11, 12

AUGUST 15 — SEPTEMBER 16

*SIDE (EAST) ELEVATION

APTS. 10 AND 09, INCLUDING BALCONIES

SEPTEMBER 19 — OCTOBER 21

*PENTHOUSE RESIDENTS WILL BE NOTIFIED WHEN THE WORK WILL BEGIN.

GARAGE RESTORATION
NER CONSTRUCTION MGT.

REPAIRS TO THE PARKING GARAGE WILL BEGIN ON JULY 5. THE CONTRACTOR WILL BE WORKING ON 50% OF THE GARAGE AT A TIME. RESIDENTS WILL BE RELOCATED TO DIFFERENT SECTIONS IN THE GARAGE DURING CONSTRUCTION. YOU WILL BE NOTIFIED WITH YOUR NEW SPACE NUMBER BEFORE JULY 1. A NUMBER OF NON-RESIDENT PARKERS WILL TEMPORARILY DISPLACED DURING CONSTRUCTION, BUT WILL RETURN WHEN THE REPAIRS ARE 100% COMPLETE.

BOSTON REDEVELOPMENT AUTHORITY

FOURTH AMENDMENT TO THE REPORT AND DECISION ON THE FRANKLIN SQUARE APARTMENTS CHAPTER 121A PROJECT FOR APPROVAL OF AND CONSENT TO A MORTGAGE FINANCING MODIFICATION IN CONNECTION WITH THIS PREVIOUSLY APPROVED AND DEVELOPED PROJECT (FORMERLY KNOWN AS BACK BAY TOWERS) UNDER MASSACHUSETTS GENERAL LAWS (TER. ED.), CHAPTER 121A AND THE ACTS OF 1960, CHAPTER 652, BOTH AS AMENDED.

A. Prior Proceedings and Actions. Reference is made to the following:

1. On June 26, 1963, the Boston Redevelopment Authority (the "Authority") by vote adopted a Report and Decision on an Application as amended (the "Request and Decision") in connection with a project then known as Back Bay Towers (the "Project"). Such vote was approved by the Mayor of the City of Boston (the "Mayor") on July 18, 1963 and the vote as so approved was filed with the Clerk of the City of Boston (the "City Clerk") on July 18, 1963. The Project, as more particularly described in the Report and Decision, consisted of a 13 story apartment building, containing approximately 144 dwelling units, office and commercial space on the street floor and an appurtenant two level parking facility for approximately 200 cars. The Project was to be built on land leased from the Authority and in accordance with the provisions of the Whitney Land Assessing and Redevelopment Plan. The Project was to be financed with mortgage insurance under the Federal Housing Administration ("FHA") Section 220 Program. Back Bay Towers, Inc., organized as an Urban Redevelopment Corporation under Massachusetts General Laws, Chapters 121A ("Chapter 121A") and 156 was designated as the Chapter 121A entity to own, operate and manage the Project.

2. On January 22, 1964, a certain "Indenture of Lease" was entered into by and between the Authority as "Landlord", and Back Bay Towers, Inc. as "Tenant". The leased premises described therein consisted of Parcels 3 and 3A of the Whitney Land Assembly and Redevelopment Area.

3. On July 23, 1964, the Authority by vote amended the Report and Decision by granting certain additional deviations from the Boston Building Code, then applicable, as set forth therein (the "First Report and Decision Amendment").

4. On November 22, 1964, a certain "Supplemental Addenda to Indenture of Lease" was entered into by and between the Authority and Back Bay Towers, Inc. The principal change was the deletion of Parcel 3A from the description of the leased premises.

5. On February 5, 1970, the Authority by vote authorized the transfer of the Project by Back Bay Towers, Inc. to Back Bay Towers Association, a Massachusetts limited partnership ("BBTA") (this vote is referred to as the "Second Report and Decision Amendment"). In addition, as part of the vote the Authority approved the execution of a Regulatory Agreement with BBTA, an Assignment of Lease and an Assent to Assignment of Lease. Such vote was approved by the Mayor

on February 5, 1970 and the vote as so approved was filed with the City Clerk on February 12, 1970.

6. On November 1, 1970, the Authority by vote adopted a document which approved the transfer of the Project by BBTA to Franklin Square Apartments, Inc. ("FSA") and consented to FSA's formation as a Chapter 121A Urban Redevelopment Corporation (the "Third Report and Decision Agreement"). Such vote was approved by the Mayor on December 4, 1970 and the vote as so approved was filed with the City Clerk on December 8, 1970. In connection with the transfer an Assignment of Lease was entered into between BBTA and FSA and assented to by the Authority.

7. The Project, as built, consisted of 147 rental units, including 96 one-bedroom units, 48 two-bedroom units and 2 three-bedroom units, offices and commercial space on the first floor and a separate two level parking facility for 177 cars.

The Report and Decision as amended by respectively the First, Second and Third Report and Decision Amendments shall hereinafter be referenced to as the "Amended Report and Decision". The Indenture of Lease, as assigned and assumed with the assent of the Authority, should hereinafter collectively be referred to as the "Project Lease".

B. Fourth Amendment Application. On May 25, 1994, FSA filed with the Authority a certain "Application for Approval to Modify Mortgage Financing", dated May 19, 1994. This application requested the Authority's approval of, and consent to, a new mortgage financing in order to implement a substantial Project renovation, as described therein. In addition, certain "Supplementary Material" was filed on behalf of FSA and such material is listed in the attached Schedule "A". Collectively, the application and the Supplementary Material 75 are hereinafter referred to as "Fourth Amendment Application".

C. Public Hearing Notice. On May 19, 1994, the Authority voted to hold a public hearing (the "Public Hearing") on the Fourth Amendment Application and scheduled the same for Thursday, June 2, 1994 at 2:00 P.M. The notice was to be published in the Boston Herald and was so published on May 29, 1994. Further, FSA was required to give notice of the Public Hearing to all tenants of the Project. The Public Hearing was held on June 2, 1994 and at the close of the hearing by vote of the Authority the matter was taken under advisement. On June 23, 1994, at the Authority's regular meeting, satisfactory evidence of notice to the Project's tenants was presented along with related documents.

D. Authority Action. The Authority is acting hereunder pursuant to Chapter 121A, the Acts of 1960, Chapter 652 ("Chapter 652") and the Authority's "Rules and Regulations Governing Chapter 121A Projects In The City Of Boston", all as amended and to the extent applicable. Further, the Authority, in acting hereunder, has considered the Fourth Amendment Application and all documents filed therewith, references thereon or attached thereto, the testimony at the Public Hearing and all documents or other materials presented thereat, sufficient in the Authority's judgement to enable it to act as hereinafter set forth.

E. Decision. The Authority hereby acts as follows:

1. Approval. The Fourth Amendment Application is hereby approved and the Amended Report and Decision is further amended only to the extent hereinafter set forth. If there is any inconsistency or conflict between the terms of the Fourth Amendment Application and this document (the "Fourth Report and Decision Amendment"), those of this Fourth Reports and Decision Amendment shall apply and govern.

2. Cost of Project; Approved Mortgage Financing. The total cost of the Project's refinancing is estimated to be \$3,500,000 which represents the proceeds of a loan from Shawmut Bank, as described in the Fourth Amendment Application, Section 2(a) and in the loan commitment letter set forth in Exhibit A to such Application and in the Supplementary Material (the "Shawmut Loan"). The terms and conditions of the Shawmut Loan are approved to the extent the same do not conflict with the provisions of the Project Lease. Loan proceeds should be used to pay off the existing leasehold mortgage loan, insured under the FHA Section 220 Program, and the remainder of the proceeds shall be used to finance the Rehabilitation Plan, as described in the Fourth Amendment Application, Section 2(b) and Exhibit B. The Shawmut Loan will be secured by a first mortgage on FSA's leasehold interest under the Project Lease (the "Approved Mortgage Financing").

3. Approval of Future Financing(s), Refinancing(s), Syndication(s) or Resyndication(s). Subsequent to the Approved Mortgage Financing, all debt financing(s), or refinancing(s), whether secured or unsecured, of the Project or the Project property and syndication(s) or resyndication(s) of the Project, shall be subject to the Authority's prior approval. The foregoing restriction shall not apply to any unsecured loans made by the Franklin Square House to FSA. No mortgage in connection with the Project shall be granted and/or recorded without the Authority's prior approval, other than mortgages granted to Franklin Square House for loans to FSA.

4. Approval of Rehabilitation Plan. The Authority hereby approves the Rehabilitation Plan as set forth in the Fourth Amendment Application, Exhibit B.

5. Rental Housing Use. The Authority hereby confirms the use of the Project as rental housing with office/commercial uses on the first floor and related parking. As a result of the new mortgage financing, the regulatory control of the U.S. Department of Housing and Urban Development ("HUD") under the Section 220 Program, to the extent applicable, will terminate in all respects. For the remainder of the Chapter 121A period, the Project's rental housing use shall be operated consistent with its corporate purposes, applicable local, state and federal fair housing laws, and the provisions of the City of Boston's "Rental Housing Equity Ordinance", Chapter 34 of the City Ordinances of amended, to the extent now or hereafter applicable, recognizing that certain units have been vacancy decontrolled and the remaining units may be vacancy decontrolled in the future.

6. Condominium or Cooperative Conversion. Any proposed conversion of the Project to a condominium or cooperative form of ownership, or any action in connection therewith, shall be subject to the Authority's prior approval in accordance with applicable law.

7. General Findings and Determinations: The Authority hereby finds and determines that: (a) the Project changes as approved in this Fourth Report and Decision Amendment do not collectively constitute a "fundamental change" in accordance with Chapter 652, §§13 and 13A; (b) except to the extent inconsistent with or contrary to provisions of this Fourth Report and Decision Amendment, all of the findings, determinations, approvals and consents contained in the Amended Report and Decision, including those zoning and building code deviations granted therein, are hereby ratified, confirmed and approved in all respects; and (c) any procedural or other requirements of applicable statutes and rules and regulations, which may not have been complied with in regard to the Application or the Authority's proceedings in connection therewith, are hereby waived.

8. Rules and Regulations. Notwithstanding the minimum standards for financing, construction, maintenance and management of the Project and any other rules and regulations set forth expressly or by reference in the Amended Report and Decision to the contrary, the Authority hereby imposes as additional rules and regulations on the Project and requires, prior to or contemporaneously with the closing on the Shawmut Loan, that: (a) in connection with the construction work associated with the Rehabilitation Plan, FSA shall comply with the Boston Residents Jobs Policy and the Minority and Women Business Enterprise Requirements of the Authority; (b) a Regulatory Agreement under Chapter 121A shall be entered into by and between FSA and the Authority, the terms and conditions of which must be acceptable to the Authority's Director; (c) at the sole option of the Authority's Director, an Amendment to the Project Lease, by and between FSA, as "Tenant" and the Authority, as "Landlord", the terms and conditions of which must be acceptable to the Authority's Director; and (d) any other instruments and documents on behalf of the Authority that the Authority's Director deems appropriate in her discretion, including but not limited to, consent to loan documents or estoppel certificate or like instruments.

9. Amended Report and Decision. all provisions of the Amended Report and Decision not specifically amended or revised by, or inconsistent with, this Fourth Report and Decision Amendment, shall remain in full force and effect.

F. Authorization to Execute Documents: The Authority's Director is hereby authorized to execute in the name of, and on behalf of, the Authority any and all agreements, instruments or documents required by this Fourth Report and Decision Amendment and any estoppel certificates or like instruments to and for governmental bodies, lenders or other interested parties, at her discretion that confirm matters covered by this Fourth Report and Decision Amendment or relating to the Project.

G. Severability. In the event any provision of this Fourth Report and Decision Amendment shall be held to be invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions thereof, or of the Amended Report and Decision.

SCHEDULE "A"

FOURTH AMENDMENT TO REPORT AND DECISION
FRANKLIN SQUARE APARTMENTS CHAPTER 121A PROJECT

June 23, 1994

Below are the Supplementary Materials on file with the Authority that are incorporated as part of the Applications:

1. Letter to Authority, entitled in part "Franklin Square Apartments Issues of Long Term Affordability....", from Robert Goldstein, Executive Director, Franklin Square House (dated June 20, 1994).
2. Letter to Authority, entitled in part "Franklin Square Apartments List of Subcontractors....", from Robert Goldstein, Executive Director, Franklin Square House (dated June 20, 1994).
3. Letter to Authority, entitled in part, "Franklin Square Apartments Amendment to [Shawmut Bank] Commitment....", from Robert Goldstein, Executive Director, Franklin Square House (dated June 20, 1994).

FRANKLIN SQUARE HOUSE
1575 TREMONT STREET
BOSTON, MA 02120
(617)734-3450

Mr Joseph F. Fisher
Executive Director/Secretary
Boston Redevelopment Authority
Room 910
One City Hall Plaza
Boston, Massachusetts 02201-1007
June 20, 1994

RE: FRANKLIN SQUARE APARTMENTS ISSUES OF LONG TERM AFFORDABILITY.
SUPPLEMENTAL MATERIALS TO APPLICATION. REFERENCE IS MADE TO APPLICATION DATED
MAY 19, 1994 . IN ACCORDANCE WITH SECTION 10 TO APPLICATION THIS LETTER SHOULD BE
CONSIDERED SUPPLEMENTARY MATERIAL.

Dear Mr Fisher:

I am writing in response to your inquiry regarding the current and long term affordability of Franklin Square Apartments. As you are aware Franklin Square Apartments Inc. has been both an affordable housing and social service resource to the Mission Hill neighborhood for the past 23 years. Aside from providing 147 units of unsubsidized affordable housing the building has provided a rent free home to a battered womens shelter, a subsidized daycare center, and an Asian women's social service center.

Franklin Square Apartments has remained affordable independent of the fact that it has not had any form of HUD rent regulation since 1983. The building was constructed and financed with private funds utilizing FHA 220 Mortgage Insurance as a form of credit enhancement. It has no outside Hud or EOCD subsidy contracts. In the case of Franklin Square Apartments HUD does not have rent regulatory authority.

Franklin Square Apartments Inc. is a Chapter 121A Corporation. Franklin Square Apartments Inc. is owned by Franklin Square House a 501(C)3 Corporation. The House maintains the property as affordable by virtue of its own mission. Their Articles of incorporation state that "Franklin Square House was constituted for the purposes of providing wholesome, sanitary, and low cost apartment housing and single room occupancy housing and services for needy people, primarily women. To that end the Corporation shall be empowered to operate and maintain apartment dwellings and to rent apartments to persons with low incomes; to establish and maintain in, or in connection with, such apartments, institutions and services that will benefit low income women, including but not limited to shelter for homeless women and victims of domestic violence and their children, a daycare center for women of working mothers residing in such apartments and the neighboring community and services to provide counseling in the special occupational, personal, and educational problems facing women in the Boston metropolitan region."

Under these articles the building has provided affordable housing for 23 years with no other form of outside subsidy. In fact, the parent corporation has put close to \$500,000 into the building as an operating subsidy during that period. Recently they have advanced to the building an additional \$500,000 for the feasibility and design of the rehabilitation

program. As part of the loan with Shawmut the Franklin Square Apartments will add an additional \$268,000 in cash equity to match the loan proceeds. These advances are significant when you take into account that neither Franklin Square House or Franklin Square Apartments, has ever taken cash out of the building.

The issue of long term affordability has always been a concern of the owners. Currently the rent structure of the building is 20% to 25% below the market for the Mission Hill neighborhood. The units are affordable to families at 60% of the median making between \$25,000 and \$28,000 per year.

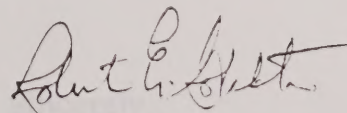
Once the needed work is completed we anticipate a 7% rent increase to satisfy the underwriting criteria of Shawmut Bank. In subsequent years we intend to raise rents a minimal amount to meet increased operating and debt coverage requirements of the lender. We are also utilizing the Federal Home Loan Bank's Affordable Housing Fund to minimize any increase directly attributable to the new debt. In an effort to keep the tenants informed of this scenario, as well as the rehab plan, the information was presented in a meeting with the tenants on May 3, 1994 and met with no criticism. Even these proposed increases will leave us substantially below market.

Future affordability is insured in a number of ways. First the BRA through the 121A agreement limits return to 6% on equity. This reduces the incentive to raise the rent for anything except meeting expenses. Second, the Rent Control Board has the right to review rent increases above a certain level as well as the power to reduce proposed increases for lower income families. Third, the building at its own expense continues to subsidize rents to families in need (currently 55 families receive this type of rent concession). Fourth the BRA continues to exert significant control in the area of new financing and property transfer through the ground lease. Finally the nonprofit owner's commitment to affordable housing continues to grow stronger with time as evidenced by their commitment to finance and make long term improvements to the building.

The history of Franklin Square House goes back to the turn of the century as an affordable haven for women seeking professional careers and shelter. Today and for the foreseeable future Franklin Square Apartments will serve as both a resource and an anchor to the Mission Hill neighborhood. Should you have any questions or need additional information please feel free to call me at 489-1662. I look forward to working together.

This letter as amended supersedes a previous version dated June 1, 1994.

Sincerely,



Robert E. Goldstein
Executive Director

cc: Keith Barnett, Esq.
Kathy Bachman, Esq.

FRANKLIN SQUARE HOUSE
1575 TREMONT STREET
BOSTON, MA 02120
(617)734-3450

Mr Joseph F. Fisher
Executive Director/Secretary
Boston Redevelopment Authority
Room 910
One City Hall Plaza
Boston, Massachusetts 02201-1007
June 20, 1994

RE: FRANKLIN SQUARE APARTMENTS LIST OF SUBCONTRACTORS.
SUPPLEMENTAL MATERIALS TO APPLICATION. REFERENCE IS MADE TO
APPLICATION DATED MAY 19, 1994 . IN ACCORDANCE WITH SECTION 10 TO
APPLICATION THIS LETTER SHOULD BE CONSIDERED SUPPLEMENTARY
MATERIAL.

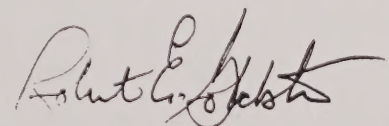
Dear Mr Fisher:

Attached please find a list of all all construction related subcontractors and consultants employed
by Franklin Square Apartments for the renovation work at 1575 Tremont Street.

In lieu of utilizing a general contractor we have chosen to retain the services of Maloney
Properties, the building's management agent, as construction manager. We have entered into
two contracts with Maloney as reflected in the attached list: one to manage the construction and
the other to perform miscellaneous general contracting services. This arrangement provides the
the building with substantially more latitude in covering the needed scope of rehabilitation
work.

Should you have any questions or need additional information regarding this matter please feel
free to call me at 489-1662. I look forward to working together.

Sincerely,



Robert E. Goldstein
Executive Director

**CONTRACTORS and CONSULTANTS
for
RENOVATIONS
to
FRANKLIN SQUARE APARTMENTS
1575 TREMONT STREET
BOSTON, MASSACHUSETTS**

Maloney Properties
200 Reservoir Street
Needham, MA 02194
Property Manager, Construction Manager,
and General Construction

R&R Battista Services, Inc
35B Hichborn Street
Brighton, MA 02135
Plumbing and Sprinklers

Crocker Electric Company Inc.
115 Sagamore Street
North Quincy, MA 02171
Electrical

NER Construction Management
757A Turnpike Street
North Andover, MA 01845
Water Proofing and Masonry Garage Repairs

Titan Roofing Inc.
65 Cornwall Street
Jamaica Plain, MA 02130
Roofing

Bay Mechanical
71 Cross Street
Winchester, MA 01890
Mechanicals

Downer and Mostue Architects
13 Regent Street
Cambridge, MA 02140
Architect

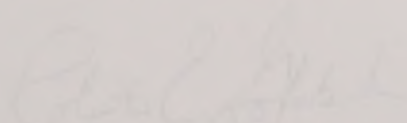
LVR Corporation
7 Kimbal Lane, Building D
Lynnfield, MA 01940
Sprinkler, Electrical, and Mechanical Engineering

A. J. Hayes Engineering.
8 Court Street
Mansfield, MA 02048
Roof and Waterproofing Engineering

Ocmulgee Associates Inc
317 High Street
Ipswich, MA 01938
Garage and Structural Engineering

Hale and Dorr
60 State Street
Boston, MA 01209
Legal Counsel

Sincerely,


Robert E. Goldstein
Executive Director

FRANKLIN SQUARE HOUSE
1575 TREMONT STREET
BOSTON, MA 02120
(617)734-3450

Mr Joseph F. Fisher
Executive Director/Secretary
Boston Redevelopment Authority
Room 910
One City Hall Plaza
Boston, Massachusetts 02201-1007
June 20, 1994

RE: FRANKLIN SQUARE APARTMENTS AMENDMENT TO THE COMMITMENT LETTER DATED MAY 18, 1994 FROM SHAWMUT BANK TO FRANKLIN SQUARE APARTMENTS. SUPPLEMENTAL MATERIALS TO APPLICATION. REFERENCE IS MADE TO APPLICATION DATED MAY 19, 1994. IN ACCORDANCE WITH SECTION 10 TO APPLICATION THIS LETTER SHOULD BE CONSIDERED SUPPLEMENTARY MATERIAL.

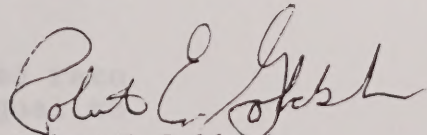
Dear Mr Fisher:

Attached please find a new copy of the commitment letter from Shawmut Bank to Franklin Square Apartments dated 18 May 1994.* Following that letter you will find a letter dated 16 June 1994 outlining specific changes to the May 18th letter. I ask that you take particular note of section (xi), this amendment extends the commitment expiration date from June 30, 1994 to July 31, 1994. A request mitigated by Franklin Square Apartments inability to obtain needed approvals in time for a June closing.

Should you have any questions or need additional information regarding this matter please feel free to call me at 489-1662. I look forward to working together.

* May 18 Shawmut Bank Commitment Letter
is set forth in Exhibit A to the Application,
dated May 19.

Sincerely,


Robert E. Goldstein
Executive Director



Shawmut Bank

Commercial Real Estate One Federal Street, OF 3003, Boston MA 02211
Tel 617 292 2275

June 16, 1994

Franklin Square Apartments, Inc.
1575 Tremont Street
Boston, Massachusetts 02120

Ladies and Gentlemen:

This letter will memorialize our agreement regarding modifications to the commitment letter, dated May 18, 1984 (the "Commitment"), with respect to the proposed \$3,500,000 loan to Franklin Square Apartments, Inc.

You have proposed, and we have agreed, to modify the Commitment as follows:

- (i) Add the following at the end of the paragraph entitled "AMOUNT":

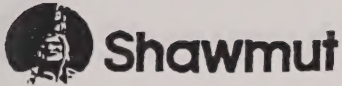
Borrower shall have the right, at its discretion, to draw the balance of the Loan proceeds not required for other Project purposes at the time of the final requisition of Loan proceeds, for deposit in the Replacement Reserve (as such term is defined herein) to satisfy, in part, the requirements of the paragraph entitled "REPLACEMENT RESERVE".

- (ii) The paragraph entitled "TERM" is revised to read as follows:

The Loan shall be due and payable on the date (the "Payment Date") which is the earlier to occur of (i) July 10, 2000; (ii) five (5) years after the Completion Date; or (iii) the date upon which the Loan is accelerated after an event of default.

- (iii) In the paragraph entitled "TERM", clause (iii) in the first sentence thereof is revised to read as follows:

(iii) at Borrower's option a fixed rate for each advance of Loan funds equal to



Franklin Square Apartments, Inc.
June 16, 1994
Page 2

(x) Shawmut National Corporation's cost of funds in effect at the time of such advance plus two hundred fifty (250) basis points; or (y) the rate under the FHLB CIP Puttable Advance program in effect at the time of such advance plus two hundred fifty (250) basis points.

(iv) Add the following at the end of the paragraph entitled "LATE CHARGES":
Bank will allow a ten (10) day grace period for payments of principal and/or interest. 

(v) The paragraph entitled "COMMITMENT FEE" is revised to read as follows:

A non-refundable commitment fee of one percent (1%) of the total amount of the Loan (\$35,000) shall be due and payable as follows: (i) \$8,750 (the "Servicing Fee") shall be due and payable upon Borrower's acceptance of this commitment; and (ii) \$26,250 shall be due and payable on the Completion Date. Bank shall retain the Servicing Fee whether or not the Loan closes and whether or not this commitment letter is terminated for any reason.

(vi) Add the following at the end of the first grammatical paragraph of the paragraph entitled "C. EQUITY CONTRIBUTION":

Borrower may elect to provide the Additional Equity on an accelerated schedule, based on the availability of net cash flow from Project operations prior to the Completion Date, in which case the schedule for installments of Additional Equity will be altered by



Franklin Square Apartments, Inc.
June 16, 1994
Page 3

mutual agreement between Borrower and Bank.

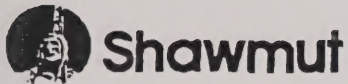
(vii) In the second grammatical paragraph of the paragraph entitled "C. EQUITY CONTRIBUTION", change "the Initial Equity" in line 1 to "the Initial Equity or the Additional Equity".

(viii) In the paragraph entitled "D. OPERATING RESERVE", change the third sentence to read as follows:

Borrower may draw all funds in excess of \$50,000 in the Operating Reserve Account at any time after the Project achieves Debt Service Coverage of not less than 1.25 for not less than twenty-four (24) consecutive months (the "Stabilized Occupancy Date") as determined by Bank within sixty (60) days after receipt by Bank of Borrower's audited annual financial statements.

(ix) Add the following after the first sentence of the paragraph entitled "E. REPLACEMENT RESERVE":

Borrower shall also be entitled to draw on the Replacement Reserve upon request, in the case of an emergency, whether or not shown in an approved annual capital improvement and repair budget, in which case Bank will use reasonable efforts to expedite approval of Borrower's request. Promptly after any such emergency draw on the Replacement Reserve, Borrower will submit a revised annual capital improvement and repair budget for Bank's review and approval, and may require an increase in the amount of deposits to the Replacement Reserve to take into



Franklin Square Apartments, Inc.
June 16, 1994
Page 4

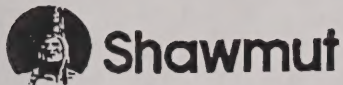
account replenishment of such emergency draw.

- (x) In the fourth grammatical paragraph on page 9 of the Commitment, change "May 24, 1994" to "June 1, 1994".
- (xi) In the fifth grammatical paragraph on page 9 of the Commitment, change "June 30, 1994" to "July 31, 1994".
- (xii) In Paragraph 10 of Exhibit A - GENERAL CONDITIONS, change the fifth sentence to read as follows:

Advances will be limited to ninety percent (90%) of approved requisition items for direct construction costs (so-called "hard costs") until substantial completion of the Improvements, as certified by Borrower's architect, Borrower's project manager and Borrower's construction manager and approved by Bank's Consultant, and shall thereafter increase to 95% of approved requisition items for "hard costs". Advances for so-called "soft costs" will be one hundred percent (100%) of approved requisition items.

- (xiii) In Paragraph 10 of Exhibit A - GENERAL CONDITIONS, delete clause (b) on page 8 and change clause (c) to clause (b).

Except as specifically set forth herein, the Commitment remains unmodified and in full force and effect. Please indicate your agreement with the foregoing by signing and returning the enclosed copy of this letter to us not later than our close of business on June 28, 1994. Failure to return a signed copy of this letter to us by our close of business on such date will result the automatic termination of the financing commitment of Bank contained in the Commitment. Please do not hesitate to contact Esther Schlorholtz, Assistant Vice President (423-5272),



Franklin Square Apartments, Inc.
June 16, 1994
Page 5

with any questions or comments you may have regarding this letter.

Very truly yours,

SHAWMUT BANK, N.A.

By: David P. Rockwell
David P. Rockwell,
Vice President

Accepted and Agreed to this
16th day of June, 1994

FRANKLIN SQUARE APARTMENTS,
INC.

By: Vincent P. McCarthy
Vincent P. McCarthy
Clerk

The undersigned hereby joins in and agrees to the foregoing modifications to the Commitment.

FRANKLIN SQUARE HOUSE

By: Vincent P. McCarthy
Vincent P. McCarthy
Clerk

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